There is another kind of Bonus share, which is not exactly a Bonus share, but carries a bonus with it. This comes into being when the directors of a company sell new shares to existing shareholders at a price below the terms which they might have obtained if they made a new issue to the general public. The classical example of this system is the Aerated Bread Company, that concern to which City clerks and journalists and others owe so much as pioneers of cheap and simple catering. It will be remembered that in the palmy days of this company, before it had been severely cut into by competition, its £1 shares used to stand in the neighbourhood of £15. The directors used then to make issues of new shares to existing shareholders at their face value, that is to say, at £1 per share, although it was obvious that if they had made a public issue inviting all and sundry to subscribe they could have sold their new issues at or above £14 per share. This system put an enormous bonus in the pockets of the existing shareholders at the expense of the company and its future prospects. The directors practically gave to the existing shareholders a present of £130,000 if they sold them 10,000 new shares for £10,000, which they and the public would have readily sub-scribed for at £140,000. There was nothing wicked about the process, but it was extremely

shortsighted,
If the company had retained the monopoly which its pioneer work as a cheap caterer for a long time secured it, it might have kept its prosperity unimpaired even by this shortsighted finance. As it was, stiCcess attracted several competitors, some of which